

SUBCOMMITTEE NO. 2

Agenda

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Thursday, March 14, 2002
Upon Adjournment of Session
Room 112

PART I

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8830 California Law Revision Commission

Background. The primary objective of the California Law Revision Commission (CLRC) is to make recommendations to the Governor and the Legislature for revision of the law. The CLRC assists the Governor and the Legislature in keeping the law up to date by studying complex subjects, identifying major policy questions for legislative attention, gathering the views of interested persons and organizations and drafting recommended legislation for legislative consideration. The CLRC may study only topics that the Legislature authorizes by concurrent resolution.

Current Commission Workplan. The CLRC plans to submit to the Legislature for the 2002 session recommendations for comprehensive revision of California's mechanics lien laws, eradication of statutes that are obsolete and should be repealed in the wake of trial court reform, correction of rules of construction for trusts and other estate planning instruments, issues in municipal bankruptcy, and evidentiary issues in electronic communications, among other matters. During 2002 the CLRC will continue its review of the law governing common interest developments, the law governing contractual attorney's fee awards, the statute of limitations for attorney malpractice, issues in administrative rulemaking, improvement of civil procedures under trial court unification, and the Uniform Unincorporated Nonprofit Association Act. The CLRC will also begin studies on discovery improvements from other jurisdictions, improvement of criminal procedures under trial court unification, and review of the California Trust Law in light of the Uniform Trust Code.

Budget Request. The budget proposes total expenditures of \$570,000, including \$555,000 from the General Fund and \$15,000 in reimbursements. The total request is a decrease of \$98,000, or 15 percent, and 1.5 positions from estimated expenditures in the current year. This would reduce the number of authorized positions at CLRC from 6.5 to 5 positions.

Staff Recommendation. No issues have been raised by LAO or other Legislative staff. Staff recommends approval as budgeted.

Action:

8840 Commission on Uniform State Laws

Background. In conjunction with other states, the Commission on Uniform State Laws drafts and presents to the Legislature uniform laws deemed desirable and practicable by the National Conference of Commissioners on Uniform State Laws for adoption by the various states. The commission is composed of six members appointed by the Governor, one member of each house of the Legislature appointed by the respective house, the Legislative Counsel, and two life members of the National Conference.

Budget Request. The budget proposes total expenditures of \$138,000 from the General Fund, which is a decrease of \$4,000 or 2.8 percent from anticipated current year expenditures.

Staff Recommendation. No issues have been raised by LAO or other Legislative staff. Staff recommends approval as budgeted.

Sub 2 Action:

8300 Agricultural Labor Relations Board

The Agricultural Labor Relations Board (ALRB), created by the Agricultural Labor Relations Act of 1975, is responsible for conducting secret ballot elections to determine collective bargaining representation in agriculture and for investigating and resolving unfair labor practice disputes. The ALRB is patterned after the National Labor Relations Board and is divided into two major programs: Board Administration of the Agricultural Labor Relations Act; and (2) General Counsel Administration of the Agricultural Labor Relations Act.

Budget Request. The budget proposes fifty three positions and \$5.2 million from the General Fund, a decrease of \$158,000, or nearly 3 percent, from current year expenditures. The budget proposes a reduction of \$100,000 from the General Fund for operating expenses and equipment. The reductions represent an approximate 10 percent reduction in various OE&E categories and estimated savings from reduced rent for one field office.

Staff Comments. For the current year, the Legislature approved an increase of three positions to expand education and outreach programs as well as to address workload identified in a needs assessment. These positions have not been filled as a result of the hiring freeze. The position authority remains in the budget and the Board indicates that it will likely apply for an exemption from the freeze.

Staff Recommendation. No issues have been raised by LAO or other Legislative staff. Staff recommends approval as budgeted.

Sub 2 Action

8550 California Horse Racing Board

The seven member board supervises all race meetings in the state where pari-mutuel wagering is conducted. Principal activities of the board include: protecting the betting public; licensing of racing associations; sanctioning of every person who participates in any phase of horse racing; designating racing days and charity days; acting as a quasi-judicial body in matters pertaining to horse racing meets; collecting the state's lawful share of revenue derived from horse racing meets; and enforcing laws, rules, and regulations pertaining to horse racing in California. The state's revenue from horse racing is principally derived from fees based upon a percentage of the pari-mutuel wagering pools, breakage (the odds cents not paid to winning ticket holders), and unclaimed tickets. Additional revenue is derived from licenses issued to horse owners, trainers, jockeys, grooms and others, and from fines.

Budget Request. The budget proposes \$8.6 million from special funds, an increase of \$23,000, or less than 1 percent, from the current year.

Staff Recommendation. No issues have been raised by LAO or other Legislative staff. Staff recommends approval as budgeted.

Sub 2 Action.

8180 Payment to Counties for Costs of Homicide Trials

It is State policy that the cost of homicide trials should not unduly impact local government finances. Government Code Sections 15200 through 15204 implement this policy by allowing a county to apply to the Controller for reimbursement of specified costs of homicide trials and hearings. The reimbursement formulas vary by the population of the county and provide for reimbursement of a specified percentage of one percent of the full value of property assessed within the county.

Budget Request. The budget proposes total expenditures of \$7.5 million from the General Fund. This is the same amount as appropriated in the current year.

The table below shows funding and expenditures for this item for the last four fiscal years. Counties seek reimbursement for certain approved costs from the Controller's Office. Payments can be made for future anticipated costs. The amounts for the current year represent reported amounts through January 18, 2002.

Funding and Expenditures for Budget Item 8180 (dollars in millions)					
	1998-99	1999-00	2000-01	2001-02	2002-03
Budget	9,541	7,500	6,000	7,500	7,500
Payments ^a	5,002	2,735	1,395	3,910 ^b	
Difference	4,539	4,765	4,605	3,590	

^a Payments to counties as reported by the State Controller's Office

^b As of January 18, 2002

Analyst Recommendation. The LAO recommends a reduction of \$3 million for this item due to lack of justification for the proposed level of funding. The LAO notes that in the past three fiscal years, actual reimbursements have declined from 55 percent to 16 percent of the amount appropriated. In the current year, the Legislature appropriated \$7.5 million for this purpose. To date, the LAO notes that counties have applied for reimbursements totaling \$3.9 million including advance payments for trials that have yet to take place. The LAO indicates that the Department of Finance has not provided a justification for maintaining the higher level included in the proposed budget for 2002-03.

Staff Comments. Estimates for this item have been difficult to make for this item. Staff notes that the Budget Act of 2001 included language providing for 100 percent reimbursement for three trials. In addition, the Cary Anthony Stayner trial which has been relocated from Mariposa County to Santa Clara County will be eligible for funding in the current year and the budget year. For these reasons the DOF recommends approval of the entire proposed amount. The table on the next page shows current estimates from the Department of Finance for costs of certain trials that will likely seek reimbursement in the current and budget years. The Department of Finance is waiting on additional information from the counties for the cost estimates for some of the projected trials.

Estimated Costs for Certain Trials in 2001-02 and 2002-03

County	Trial	Estimated Trial Costs	Estimate for 2001-02	Estimate for 2002-03
Shasta	Benjamin Matthew Williams* and James Tyler Williams* trial date - 10/02. Estimated duration - 8 months	\$3 million	\$.5 million	\$2.5 million
	Todd Garton trial complete -- post conviction costs pending	Waiting for additional information from the county.	\$1 million	Unknown
	Dennis Michael Davis trial date - 3/02	Waiting for additional information from the county.	Unknown	Unknown
	Paul Smith trial date - 4/02. Estimated duration - 5 months	Waiting for additional information from the county.	Unknown	Unknown
	Klein, Sutherland, Taylor		Unknown	Unknown
Mariposa	Cary Anthony Stayner trial date - 6/02. Moved to Santa Clara Estimated duration - 1 to 2 yrs.	\$5 million	\$1 million	\$4 million
San Luis Obispo	Rex Allen Krebs* moved to Monterey trial and sentencing complete -- post conviction costs pending	\$1.5 million	\$1.5 to \$2 million	Unknown
Placer	Arturo Juarez Suarez* moved to Napa trial and sentencing complete -- post conviction costs pending	\$1 million	\$1.4 million	Unknown
Minimum Estimated Totals			\$5.4 to \$5.9 million	\$6.5 million

* 100 percent of the costs paid by the state.

Staff Recommendation. Staff recommends approval as budgeted. The Subcommittee may wish to have the Department of Finance provide an update of expenditures and estimated budget year costs at the time of the May Revision.

Sub 2 Action.

8120 Commission on Peace Officer Standards and Training (POST)

The Commission on Peace Officer Standards and Training (POST) is responsible for raising the competency level of law enforcement officers by establishing minimum selection and training standards, improving management practices, and providing financial assistance to local agencies relating to the training of their peace officers.

Budget Request. The budget proposes a total of \$65.1 million, which is a decrease of \$5.9 million, or 8.3 percent from the current year budget. This decrease is due primarily to a reduction in the state-mandated local programs within the POST budget and a reduction in reimbursements for peace officer training. Of the total proposed expenditures, \$28.8 million supports direct training of peace officers and \$23.0 million supports additional law enforcement training needs such as quality control of POST-certified courses, management and leadership training, and identifying emerging training needs. The budget proposes expenditures of \$56.9 million from the Peace Officer's Training Fund.

POST Funding Sources					
Funding Source	<i>(dollars in thousands)</i>			Change	% Change
	2000-01	2001-02	2002-03	01-02 to 02-03	01-02 to 02-03
General Fund	8,259	8,481	6,923	-\$1,558	-18.4%
Peace Officers' Training Fund	60,748	61,209	56,893	-4,316	-7.1%
Reimbursements	1,260	1,259	1,259	0	0.0%
Totals, All Funds	\$70,267	\$70,949	\$65,075	-\$5,874	-8.3%

The table below shows the proposed program expenditures for the POST.

POST Program Expenditures					
Program	<i>Expenditures (dollars in thousands)</i>			Change	Percent Change
	2000-01	2001-02	2002-03		
Standards	\$4,916	\$6,967	\$6,280	-\$687	-9.9%
Training	33,167	23,866	23,038	-828	-3.5%
Peace Officer Training	23,945	31,635	28,834	-2,801	-8.9%
Administration	4,818	4,486	5,143	657	14.6%
Distributed Administration	-4,818	-4,486	-5,143	-657	14.6%
State-Mandated Local Programs	8,239	8,481	6,923	-1,558	-18.4%
Totals, Programs	\$70,267	\$70,949	\$65,075	-\$5,874	-8.3%
Total Authorized Positions	126	128	129	1	0.7%

BUDGET ISSUES

Status of Peace Officers' Training Fund

Background. Nearly 90 percent of the expenditures for POST are funded by the Peace Officers' Training Fund (POTF). The POTF receives monies from the State Penalty Assessment Fund, which in turn receives monies from penalty assessments on criminal and traffic fines. Since 1997-98, the amount derived from these assessments has been between \$33 million and \$37 million annually. In addition, another \$14 million has been transferred annually from the Driver Training Penalty Assessment Fund through Control Section 25.10 of the Budget Act. In fiscal year 2000-01 the fund balance for the POTF was \$22.4 million. Due to the state's fiscal condition, funding was not transferred through Control Section 24.10 in the current year.

Issue. In the current year, the budget assumes a \$5 million loan from the General Fund in order ensure sufficient funds to cover expenditures from the POTF. The Commission has taken a number of measures to reduce expenditures in the current year to minimize the need for such a loan. The Subcommittee may wish to have the Commission report on measures taken in the current year to reduce expenditures from the POTF.

Informational Issue. No Subcommittee action necessary.

Control Section 5.25 – Payments for Litigation

Control Section 5.25 provides that payments for any attorney fee claims, settlements, or judgments arising from actions in state court against a state agency or officer shall be paid from appropriations in the Budget Act that support the affected agency.

The proposed language is identical to the language approved in previous years. Last year, Subcommittee No. 2 approved this item as budgeted.

Staff Recommendation. No issues have been raised by LAO or other Legislative staff. Staff recommends approval as budgeted.

Sub 2 Action.

Control Section 24.10 – Driver Training Fund Transfers

Using Control Section 24.10, specified portions of the Driver Training Fund have been transferred to the Victim/Witness Assistance Fund, the Peace Officers' Training Fund, and the Corrections Training Fund, with the remaining balance going to the General Fund. The Budget Act of 2001 directs the Controller to transfer an estimated \$40.7 million to the General Fund.

Proposed Language. Proposed budget bill language would transfer up \$18.7 million to the Peace Officers' Training Fund, \$6.9 million to the Corrections Training Fund, and an estimated \$13.9 million to the General Fund.

Staff Comments. The reserve for economic uncertainties for the Peace Officers' Training Fund and the Corrections Training Fund have been reduced significantly, in large part because transfers were not made to these funds through this control section in the current year. At the end of the fiscal year 2002-03, the budget estimates a \$2.5 million reserve for the Peace Officers' Training Fund and no reserve for the Corrections Training Fund. Without this transfer, there would not be sufficient funds to cover anticipated expenditures from these funds.

Staff Recommendation. No issues have been raised by LAO or other Legislative staff. Staff recommends approval as budgeted.

Action.